GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:7765
ANSWERED ON:17.05.2002
REFUND ORDERS BY INCOME TAX
RAGHUNATH JHA

Will the Minister of FINANCE be pleased to state:

(a) whether the income tax department is not sending refund orders cheques to assessees even after a lapse of two or more years;

(b) if so, the reasons thereof and the mandatory time by which the department required to send the refund orders (cheques) to the assessees after filing of the income tax returns; and

(c) the outstanding amount yet to be refunded as on date and by when will that is likely to be refunded and at what rate of interest?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a): No, Sir.

(b): As per section 143(1) of the Income Tax Act, any refund due on the basis of a return has to be granted and an intimation to this effect has to be sent to the assessee, within one year from the end of the financial year in which the return is made.

(c): The outstanding amount for refund as on date can not be ascertained before all the returns filed till date are processed u/s 143(1) of the Income Tax Act. The refund voucher is issued within 15 days of processing of return. Simple interest at the rate of 0.75 % for every month or part of the month is paid to the assessee for delay in issue of refund.